

# House File 171 - Introduced

HOUSE FILE 171  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HSB 117)

## A BILL FOR

1 An Act relating to school funding by establishing the state  
2 percent of growth and the categorical state percent of  
3 growth for the budget year beginning July 1, 2023, modifying  
4 provisions relating to the property tax replacement  
5 payments, making appropriations, and including effective  
6 date provisions.  
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 257.8, subsections 1 and 2, Code 2023,  
2 are amended to read as follows:

3 1. *State percent of growth.* ~~The state percent of growth for~~  
4 ~~the budget year beginning July 1, 2020, is two and three-tenths~~  
5 ~~percent.~~ The state percent of growth for the budget year  
6 beginning July 1, 2021, is two and four-tenths percent. The  
7 state percent of growth for the budget year beginning July 1,  
8 2022, is two and one-half percent. The state percent of growth  
9 for the budget year beginning July 1, 2023, is three percent.  
10 The state percent of growth for each subsequent budget year  
11 shall be established by statute which shall be enacted within  
12 thirty days of the transmission of the governor's budget  
13 required by February 1 under [section 8.21](#) during the regular  
14 legislative session beginning in the base year.

15 2. *Categorical state percent of growth.* ~~The categorical~~  
16 ~~state percent of growth for the budget year beginning July 1,~~  
17 ~~2020, is two and three-tenths percent.~~ The categorical state  
18 percent of growth for the budget year beginning July 1, 2021,  
19 is two and four-tenths percent. The categorical state percent  
20 of growth for the budget year beginning July 1, 2022, is two  
21 and one-half percent. The categorical state percent of growth  
22 for the budget year beginning July 1, 2023, is three percent.  
23 The categorical state percent of growth for each budget  
24 year shall be established by statute which shall be enacted  
25 within thirty days of the transmission of the governor's  
26 budget required by February 1 under [section 8.21](#) during the  
27 regular legislative session beginning in the base year. The  
28 categorical state percent of growth may include state percents  
29 of growth for the teacher salary supplement, the professional  
30 development supplement, the early intervention supplement, the  
31 teacher leadership supplement, and for budget years beginning  
32 on or after July 1, 2020, transportation equity aid payments  
33 under [section 257.16C](#).

34 Sec. 2. Section 257.16B, subsections 1 and 2, Code 2023, are  
35 amended to read as follows:

1     1. For each fiscal year beginning on or after July 1, 2020  
2 2021, there is appropriated from the general fund of the state  
3 to the department of education an amount necessary to make all  
4 school district property tax replacement payments under this  
5 section, as calculated in [subsection 2](#).

6     2. ~~a. For the budget year beginning July 1, 2020, the~~  
7 ~~department of management shall calculate for each school~~  
8 ~~district all of the following:~~

9       ~~(1) The regular program state cost per pupil for the budget~~  
10 ~~year beginning July 1, 2012, multiplied by one hundred percent~~  
11 ~~less the regular program foundation base per pupil percentage~~  
12 ~~pursuant to [section 257.1](#) for the budget year beginning July~~  
13 ~~1, 2020.~~

14       ~~(2) The regular program state cost per pupil for the budget~~  
15 ~~year beginning July 1, 2020, multiplied by one hundred percent~~  
16 ~~less the regular program foundation base per pupil percentage~~  
17 ~~pursuant to [section 257.1](#) for the budget year beginning July~~  
18 ~~1, 2020.~~

19       ~~(3) The amount of each school district's property tax~~  
20 ~~replacement payment. Each school district's property tax~~  
21 ~~replacement payment equals the school district's weighted~~  
22 ~~enrollment for the budget year beginning July 1, 2020,~~  
23 ~~multiplied by the remainder of the amount calculated for~~  
24 ~~the school district under subparagraph (2) minus the amount~~  
25 ~~calculated for the school district under subparagraph (1).~~

26     ~~b. a.~~ For the budget year beginning July 1, 2021, the  
27 department of management shall calculate for each school  
28 district all of the following:

29       (1) The regular program state cost per pupil for the budget  
30 year beginning July 1, 2012, multiplied by one hundred percent  
31 less the regular program foundation base per pupil percentage  
32 pursuant to [section 257.1](#) for the budget year beginning July  
33 1, 2021.

34       (2) The regular program state cost per pupil for the budget  
35 year beginning July 1, 2021, multiplied by one hundred percent

1 less the regular program foundation base per pupil percentage  
2 pursuant to [section 257.1](#) for the budget year beginning July  
3 1, 2021.

4 (3) The amount of each school district's property tax  
5 replacement payment. Each school district's property tax  
6 replacement payment equals the school district's weighted  
7 enrollment for the budget year beginning July 1, 2021,  
8 multiplied by the remainder of the amount calculated for  
9 the school district under subparagraph (2) minus the amount  
10 calculated for the school district under subparagraph (1).

11 ~~e.~~ b. (1) For ~~each the~~ budget year beginning ~~on or after~~  
12 July 1, 2022, the amount of each school district's property  
13 tax replacement payment shall be the product of the school  
14 district's weighted enrollment for the budget year multiplied  
15 by the per pupil property tax replacement amount for the budget  
16 year calculated under subparagraph (2).

17 (2) The per pupil property tax replacement amount for  
18 ~~the~~ budget ~~years~~ year beginning ~~on or after~~ July 1, 2022, is  
19 equal to the sum of one hundred fifty-three dollars plus the  
20 difference between the following:

21 (a) The regular program state cost per pupil for the budget  
22 year beginning July 1, 2022, multiplied by one hundred percent  
23 less the regular program foundation base per pupil percentage  
24 pursuant to [section 257.1](#) for the ~~applicable~~ budget year ~~under~~  
25 ~~this paragraph~~ beginning July 1, 2022.

26 (b) The regular program state cost per pupil for the budget  
27 year beginning July 1, 2021, multiplied by one hundred percent  
28 less the regular program foundation base per pupil percentage  
29 pursuant to [section 257.1](#) for the ~~applicable~~ budget year ~~under~~  
30 ~~this paragraph~~ beginning July 1, 2022.

31 c. (1) For each budget year beginning on or after July  
32 1, 2023, the amount of each school district's property  
33 tax replacement payment shall be the product of the school  
34 district's weighted enrollment for the budget year multiplied  
35 by the per pupil property tax replacement amount for the budget

1 year calculated under subparagraph (2).

2 (2) The per pupil property tax replacement amount for budget  
3 years beginning on or after July 1, 2023, is equal to the sum  
4 of one hundred fifty-three dollars plus the difference between  
5 the following:

6 (a) The regular program state cost per pupil for the budget  
7 year beginning July 1, 2023, multiplied by one hundred percent  
8 less the regular program foundation base per pupil percentage  
9 pursuant to section 257.1 for the applicable budget year under  
10 this paragraph.

11 (b) The regular program state cost per pupil for the budget  
12 year beginning July 1, 2021, multiplied by one hundred percent  
13 less the regular program foundation base per pupil percentage  
14 pursuant to section 257.1 for the applicable budget year under  
15 this paragraph.

16 Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate  
17 importance, takes effect upon enactment.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with  
20 the explanation's substance by the members of the general assembly.

21 This bill relates to school funding by establishing the  
22 state percent of growth and the categorical state percent  
23 of growth for the budget year beginning July 1, 2023, and  
24 modifying provisions relating to the property tax replacement  
25 payments.

26 The bill establishes a state percent of growth of 3 percent  
27 for the budget year beginning July 1, 2023. The state percent  
28 of growth is used to calculate the amount of supplemental state  
29 aid for a budget year as part of the state school foundation  
30 program. The bill also establishes a categorical state percent  
31 of growth of 3 percent for the budget year beginning July 1,  
32 2023. The categorical state percent of growth is generally  
33 used to calculate the amount of supplemental state aid for each  
34 of the categorical funding supplements.

35 Code section 257.16B provides for school district property

1 tax replacement payments. For each budget year beginning on  
2 or after July 1, 2022, the amount of each school district's  
3 property tax replacement payment is the product of the school  
4 district's weighted enrollment for the budget year multiplied  
5 by the per pupil property tax replacement amount for the budget  
6 year. The per pupil property tax replacement amount for budget  
7 years beginning on or after July 1, 2022, is equal to the  
8 sum of \$153 plus the difference between the following: (1)  
9 the regular program state cost per pupil for the budget year  
10 beginning July 1, 2022, multiplied by 100 percent less the  
11 regular program foundation base per pupil percentage; and (2)  
12 the regular program state cost per pupil for the budget year  
13 beginning July 1, 2021, multiplied by 100 percent less the  
14 regular program foundation base per pupil percentage. The  
15 regular program foundation base per pupil percentage is 88.4  
16 percent.

17 The bill modifies the property tax replacement payment  
18 calculation for budget years beginning on or after July 1,  
19 2023. For budget years beginning on or after July 1, 2023,  
20 the amount of each school district's property tax replacement  
21 payment is the product of the school district's weighted  
22 enrollment for the budget year multiplied by the per pupil  
23 property tax replacement amount for the budget year. The  
24 per pupil property tax replacement amount for budget years  
25 beginning on or after July 1, 2023, is equal to the sum of \$153  
26 plus the difference between the following: (1) the regular  
27 program state cost per pupil for the budget year beginning July  
28 1, 2023, multiplied by 100 percent less the regular program  
29 foundation base per pupil percentage; and (2) the regular  
30 program state cost per pupil for the budget year beginning July  
31 1, 2021, multiplied by 100 percent less the regular program  
32 foundation base per pupil percentage.

33 The bill takes effect upon enactment.